

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, JANUARY 16, 2013 AT 4:00 PM

IN THE MARY BRENNAN BOARD ROOM

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 4:03 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Kathleen C. Hittner, M.D; Bradford S. Dimeo; Deborah M. Thomas and Robert D. Sangster.

BOARD MEMBER ABSENT: Joseph Cianciolo and Michael Traficante.

ALSO PRESENT: Peter A. Frazier, C.M., Interim President and CEO; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Sangster and seconded by Mr. Dimeo to approve the minutes of the Board of Director’s Meeting of December

19, 2012. The motion was passed unanimously.

2. Open Forum:

Dr. Hittner asked if anyone present wanted to speak in Open Forum. No one came forward.

3. Report from Interim President and CEO:

Mr. Frazier presented the President and CEO report and reported on the following:

- The passenger traffic for December 2012 was slightly up for the first time in 10 months on approximately 10% less capacity. Parking revenue also showed a slight increase.**
- The GA Airport system had a good year overall and showed solid increases in all of the primary categories.**
- The three major capital projects continue to proceed according to schedule.**
- The Glycol Project was advertised and bid openings are scheduled for February 19th.**
- RIAC will be hosting a by-invitation only meeting with homeowners**

that are impacted by the Runway 5 RPZ on January 29th and 30th.

- Monthly meetings with the Warwick Planning Department have been scheduled to maintain coordination and communication with the City.
- A recommendation regarding Collective Bargaining Agreement negotiations will be brought to the Board in February as an accord for a one year contract was not reached.
- Draft policies on RIAC hiring practices, employee performance appraisals and employment references will be brought to the Board in February for review and determination on which policies will require Board approval.
- The procurement training with AvPorts has been completed.

4. Action Items:

(a) Consideration of and Action Upon Health and Dental Insurance Coverages.

Mr. Frazier gave an overview of the health and dental insurance coverage plan with an effective renewal date of February 1, 2013. Mr. Frazier noted the proposed increase to the deductible plan has been increased in order to reduce the overall costs of the healthcare premium. The recommendation is that the Board authorizes the

Interim President and CEO, or his designee, to execute an Insurance Contract Renewal with Blue Cross/Blue Shield of Rhode Island for both health and dental insurance coverage effective February 1, 2013, and to increase the deductibles to \$2,000 per individual and \$4,000 per family for healthcare effective February 1, 2013.

WHEREAS, the Rhode Island Airport Corporation (RIAC) is currently under contract with Blue Cross/Blue Shield of Rhode Island (Blue Cross) to provide health and dental insurance for RIAC's employees and their families; and

WHEREAS, this contract renews each February 1st, at which time the premiums are adjusted; and

WHEREAS, RIAC, with the assistance of its health insurance consultant, Cornerstone Group (Cornerstone), negotiated a 14.5% premium increase for health coverage and no increase for family or individual dental coverage; and

WHEREAS, Cornerstone recommends and RIAC staff agrees, that the Blue Cross coverage be renewed at the proposed rates effective February 1, 2013; and

WHEREAS, the increase in health insurance falls above the 6.4% average Blue Cross annual rate increase for 2013, as approved by Rhode Island Health Insurance Commissioner for large groups

(groups with more than 50 employees); and

WHEREAS, RIAC staff and Cornerstone negotiated rates with Blue Cross for healthcare plans that incorporate a higher deductible structure; and

WHEREAS, the proposed premiums for the increased deductible plans are 8.6% lower than RIAC's current structure; however RIAC would be responsible to fund the incurred deductibles based on the higher limits that exceed the current plan design; and

WHEREAS, RIAC will continue to utilize the services of a third party administrator to manage the healthcare reimbursement account for the deductibles incurred; and

WHEREAS, RIAC has a fiscal year budget, which provides funding for these services through its Operating and Maintenance (O&M) budget.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the Interim President and CEO, or his designee, to execute an Insurance Contract Renewal with Blue Cross/Blue Shield of Rhode Island for both health and dental insurance coverage effective February 1, 2013, and to increase the deductibles to \$2,000 per individual and \$4,000 per family for

healthcare effective February 1, 2013.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval of a Professional Services Agreement and Consultant Task Order for the Runway 5-23 Extension Project at T. F, Green Airport.

Mr. Dimeo reported that he was recusing himself from voting on this item and left the Board table.

Mr. Frazier gave an overview of the agreement noting approval is subject to an FAA outside independent fee review. There was discussion on the selection criteria and Mr. Frazier noted the selection is based solely on qualifications and that there was robust competition. The recommendation is that the Board authorizes the Interim President and CEO, or his designee, to 1) execute a Professional Services Agreement with The Louis Berger Group to provide Design and Construction Phase Services; and 2) execute a Task Order in an amount not to exceed \$450,000 to provide Design and Bid Phase Services for the relocation of Winslow Park as part of the Runway 5-23 Extension Project, subject to Federal Aviation Administration approval.

WHEREAS, on November 7, 2012, RIAC issued a Request for Proposals (RFP) to provide Design and Construction Phase Services

for the Relocation of Winslow Park as part of the Runway 5-23 Extension Project (Project) at T. F. Green Airport; and

WHEREAS, RIAC received twelve proposals on November 28, 2012, in response to this RFP; and

WHEREAS, the Selection Committee comprised of Paul McDonough, Vice President of Engineering; Eric Seabury, Project Engineer; Jennifer Hawkins, Manager of Business Administration and Dan Porter, Aviation Planner met on December 14, 2012 to review and rank the proposals; and

WHEREAS, based on these evaluations, the Selection Committee chose The Louis Berger Group (LBG) to perform these services; and

WHEREAS, RIAC staff has received a Scope and Fee from LBG in the amount of \$450,000 to provide Design and Bid Phase Services for the relocation of Winslow Park and is currently conducting negotiations; and

WHEREAS, the Project is approved in the Fiscal Year 2013 Capital Improvement Program (CIP) budget in the amount of \$88,820,456; and

WHEREAS, as a result of a reduction of scope based on value engineering meetings held with the Federal Aviation Administration (FAA), this Project budget has been reduced to \$81,997,077; and

WHEREAS, the Relocation of Winslow Park is a component of this Project; and

WHEREAS, this Task Order will initially be funded from the General Purpose Fund; and

WHEREAS, RIAC will seek reimbursement of 75% of the expenditures from the FAA through the Airport Improvement Program (AIP); and

WHEREAS, RIAC plans to reimburse its matching share of this Task Order from Passenger Facility Charges (PFCs) and/or future bond proceeds.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the Interim President and CEO, or his designee, to 1) execute a Professional Services Agreement with The Louis Berger Group to provide Design and Construction Phase Services; and 2) execute a Task Order in an amount not to exceed \$450,000 to provide Design and Bid Phase Services for the relocation of Winslow Park as part of the Runway 5-23 Extension Project, subject to Federal Aviation Administration approval.

The motion was approved by 3 votes in the affirmative, with one member recusing himself from voting. Those votes are as follows:

YEAS: Kathleen C. Hittner. M.D.

Deborah M. Thomas

Robert D. Sangster

NAYS: None.

RECUSED: Bradford S. Dimeo

(c) Consideration of and Action Upon Recommendation to Award On-Call Letters of Engagement for Legal Services.

Mr. Frazier provided an overview on this item noting these letters of engagement provide RIAC with the broadest level of expertise for legal issues. Mr. Frazier noted the same safeguards will be in place regarding attorneys involved in litigation with the EDC. Ms. Thomas asked if there would be a retainer for the on-call attorneys. Mr. Frazier stated there are no retainers for RIAC legal services aside from lobbying services. The recommendation is the Board authorizes the Interim President and CEO, or his designee, to issue Letters of Engagement to the above-identified qualified firms on an as needed basis and that the individual Letters of Engagement be for a period not to exceed 12 months, with the option reserved for RIAC to renew for two additional 12 month terms.

WHEREAS, on October 23, 2009, the Rhode Island Airport

Corporation (RIAC) issued a Request for Proposals (RFP) for seven primary categories of legal services in accordance with the requirements of the RIAC Procurement Rules and received 11 submissions; and

WHEREAS, a Selection Committee consisting of Peter A. Frazier, General Counsel; Bruce Wilde, Human Resources Director; and Brian C. Schattle, Chief Financial Officer, met and reviewed the various submissions based on an analysis of general competence, experience, knowledge and qualifications related to RIAC's anticipated legal needs and reasonableness of the proposed fees for services to be provided; and

WHEREAS, based on a review of the submitted materials, the selection criteria, the requirements of the applicable RIAC Procurement Regulations, and the uniqueness of each potential future engagement, the Selection Committee unanimously recommends that all of the submitting firms be approved in their respective categories, as set forth below:

Governmental

◦ Adler Pollock & Sheehan PC

◦ Cicione & Associates

◦ Moses & Afonso, Ltd.

◦ Nixon Peabody LLP

◦ Pannone Lopes Devereau

& West LLC

◦ Partridge Snow & Hahn LLP

Litigation

◦ Adler Pollock & Sheehan PC

◦ Cicione & Associates

◦ Kaplan Kirsch Rockwell LLP

◦ Moses & Afonso, Ltd.

◦ Nixon Peabody, LLP

◦ Pannone Lopes Devereau

& West LLC

◦ Partridge Snow & Hahn LLP

Commercial & Real Estate

◦ Adler Pollock & Sheehan PC

◦ Cicione & Associates

◦ Moses & Afonso LTD

◦ Nixon Peabody, LLP

◦ Pannone Lopes Devereau

& West LLC

◦ Partridge Snow & Hahn LLP

Environmental

◦ Adler Pollock & Sheehan PC
◦ Barnes & Thornburg LLP
◦ Cicione & Associates
◦ Kaplan Kirsch Rockwell LLP
◦ Nixon Peabody, LLP
◦ Partridge Snow & Hahn LLP
◦ Ropes & Gray LLP

Labor & Employment

◦ Adler Pollock & Sheehan PC
◦ Cicione & Associates
◦ Littler Mendelson PC
◦ Nixon Peabody, LLP
**◦ Pannone Lopes Devereau
& West LLC**
◦ Partridge Snow & Hahn LLP

Aviation & Airport Specialties

◦ Adler Pollock & Sheehan PC
◦ Kaplan Kirsch Rockwell LLP
◦ Nixon Peabody, LLP
◦ Patton Boggs LLP
◦ Ropes & Gray LLP

Legislative

◦ Adler Pollock & Sheehan PC

◦ Cicione & Assoc.

◦ Nixon Peabody

◦ Pannone Lopes

◦ Patton Boggs

WHEREAS, actual engagements of counsel will occur as each unique need arises and the individual firm selected will be based on a further review of the legal issues in question analyzed in comparison to the firms' respective qualifications, billing proposals and availability; and

WHEREAS, engagements meeting RIAC's Procurement Regulations thresholds will be presented to the Finance and Audit Committee for review and approval; and

WHEREAS, the Fiscal Year 2010 Operating and Maintenance (O & M) budget includes \$335,000 in the Legal Services line item for these services and funding in future years will be established through the annual O&M budget approval process.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to issue Letters of Engagement to the above-identified qualified firms on an as needed basis and that the individual Letters of Engagement be for a period not to exceed 12 months, with the option reserved for RIAC to renew for two additional 12 month terms.

The motion was passed unanimously.

5. President and CEO Selection Committee Report.

Dr. Hittner reported the Committee met prior to the Board Meeting and a conclusion on the executive search process has not been reached. The Committee continues to work towards the selection of a candidate and is confident that they will find a qualified candidate for the President and CEO of the Rhode Island Airport Corporation.

6. Executive Session:

At approximately 4:21 p.m. a motion was made by Mr. Dimeo and seconded by Ms. Thomas to go into Executive Session for the purposed of discussing the following items:.

(a) Motion to Approve the Minutes of the Executive Session held on December 19, 2012 - R.I.G.L. § 42-46-5(a),(1),(2),(5) and (7); and

(b) Investment of Public Funds Where Premature Disclosure would be Detrimental to the Public Interest (air Service Marketing) - R.I.G.L. § 42-46-5(a)(7); and

(c) Discussion Regarding Individual Candidate Qualifications (Job Performance as ranked by the Committee) - R.I.G.L. § 42-46-5(a)(1); and

(d) Motion to Return to Open Session.

For the record, the affected individuals were notified in writing that the Board intended to convene in Executive Session in order to discuss their job performance, and declined to have this discussion take place in Open Session.

By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Bradford S. Dimeo

Robert D. Sangster

Deborah M. Thomas

NAYS: None

ABSTAIN: None

At approximately 4:53 p.m., a motion was made by Ms. Thomas and seconded by Mr. Sangster to return to the Open Session. The motion was passed unanimously.

7. Post Executive Session Actions and Announcements:

(a) Motion to Seal the Minutes of the Executive Session Held January 16, 2013.

A motion was made by Mr. Dimeo and seconded by Ms. Thomas to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Bradford S. Dimeo

Robert D. Sangster

Deborah M. Thomas

NAYS: None

ABSTAIN: None

(b) Report on Actions Taken in Executive Session.

During the Executive Session, a motion was made by Mr. Dimeo to approve the sealed minutes of the Executive Session held on December 19, 2012. The motion was seconded by Ms. Thomas. The motion passed unanimously.

8. Future Meetings:

The next Board Meeting will be held on Wednesday, February 20, 2013 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

9. Adjournment:

Ms. Thomas moved to adjourn at approximately 4:55 p.m. Mr. Sangster seconded the motion. The motion was passed unanimously.

Respectfully submitted,

**Kathleen C. Hittner, M.D., Chair
Rhode Island Airport Corporation**

**PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, JANUARY 16, 2013**

NAME AFFILIATION

Brian Schattle RIAC

Patti Goldstein RIAC

Liberty Luciano RIAC

Doug Dansereau RIAC

Sherri Ann Penta RIAC

Robert Goff New England Parking

Tammy Burnham Allied Reporters

Paul Parker The Providence Journal

Ray Venticinque Country Squire Land Design

Woody Creswell The Paradies Shops

Jim White Constituent

Val Mendonca Constituent

Jim Falvey PB Americas

**Michael Sabitoni President of the RI Building and Construction
Trades Council**

Doug Auclair Air Ventures Flying School

Eric Lequelaff Jacobs

Nick Stefaniak Louis Berger Group

Roy Coulombe Building Trades

The minutes of the Executive Session of the Board Meeting of January 16, 2013, have been sealed in accordance with R.I.G.L. § 42-46-4.